

**NATIONAL PERFORMANCE NETWORK, INC.**

**Financial Statements as of June 30, 2012 and 2011  
and for the Years Then Ended  
and Independent Auditors' Report**

**NATIONAL PERFORMANCE NETWORK, INC.**

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Certified Public Accountants & Consultants

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
National Performance Network, Inc.  
New Orleans, Louisiana

We have audited the accompanying statements of financial position of National Performance Network, Inc. (a nonprofit organization) (the Organization) as of June 30, 2012 and 2011, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Performance Network, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Silva Gurtner & Abney, LLC*

December 5, 2012

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**NATIONAL PERFORMANCE NETWORK, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2012 AND 2011**

<b>ASSETS</b>	<b>2012</b>	<b>2011</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,107,799	\$ 548,945
Accounts receivable and prepaid expenses	115,500	107,038
Grants receivable	1,261,165	1,000,942
Total current assets	3,484,464	1,656,925
<b>NONCURRENT ASSETS</b>		
Property and equipment, net of accumulated depreciation	16,562	24,907
Deposits	1,400	1,400
Total noncurrent assets	17,962	26,307
<b>TOTAL ASSETS</b>	<b>\$ 3,502,426</b>	<b>\$ 1,683,232</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 38,400	\$ 86,111
Grants payable	278,802	71,378
Accrued expenses	20,498	17,353
Lease payable, current	2,851	2,852
Total current liabilities	340,551	177,694
<b>LONG TERM LIABILITIES</b>		
Lease payable, net of current	2,851	5,702
Total long term liabilities	2,851	5,702
<b>NET ASSETS (DEFICIT)</b>		
Unrestricted	(214,373)	(275,266)
Temporarily restricted	3,373,397	1,775,102
Total net assets (deficit)	3,159,024	1,499,836
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 3,502,426</b>	<b>\$ 1,683,232</b>

See accompanying independent auditors' report and notes to financial statements.

**NATIONAL PERFORMANCE NETWORK, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	2012		
	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Contributions			
Foundation	\$ -	\$ 3,845,462	\$ 3,845,462
Corporation	-	86,500	86,500
Individual	74,027	20,000	94,027
Government grants			
Federal	-	130,000	130,000
State	-	19,000	19,000
Local	-	31,794	31,794
Partner contributions	120,000	-	120,000
Contract	166,242	-	166,242
Other	19,232	-	19,232
	<u>379,501</u>	<u>4,132,756</u>	<u>4,512,257</u>
Net assets released from restriction:			
Satisfaction of program restrictions	2,534,461	(2,534,461)	-
Total support and revenue	<u>2,913,962</u>	<u>1,598,295</u>	<u>4,512,257</u>
<b>EXPENSES</b>			
Program	2,423,143	-	2,423,143
Management and general	324,386	-	324,386
Fundraising	105,540	-	105,540
Total expenses	<u>2,853,069</u>	<u>-</u>	<u>2,853,069</u>
<b>CHANGE IN NET ASSETS</b>	<b>60,893</b>	<b>1,598,295</b>	<b>1,659,188</b>
<b>NET ASSETS (DEFICIT)- Beginning of year</b>	<u>(275,266)</u>	<u>1,775,102</u>	<u>1,499,836</u>
<b>NET ASSETS (DEFICIT) - End of year</b>	<u><b>\$ (214,373)</b></u>	<u><b>\$ 3,373,397</b></u>	<u><b>\$ 3,159,024</b></u>

(Continued)

See accompanying independent auditors' report and notes to financial statements.

**NATIONAL PERFORMANCE NETWORK, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	2011		
	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Contributions			
Foundation	\$ -	\$ 2,016,046	\$ 2,016,046
Corporation	-	45,000	45,000
Individual	34,789	20,000	54,789
Government grants			
Federal	-	55,000	55,000
State	-	13,500	13,500
Local	-	-	-
Partner contributions	145,200	-	145,200
Contract	130,203	-	130,203
Other	6,416	-	6,416
	<u>316,608</u>	<u>2,149,546</u>	<u>2,466,154</u>
Net assets released from restriction:			
Satisfaction of program restrictions	<u>2,404,747</u>	<u>(2,404,747)</u>	<u>-</u>
Total support and revenue	<u>2,721,355</u>	<u>(255,201)</u>	<u>2,466,154</u>
<b>EXPENSES</b>			
Program	2,370,482	-	2,370,482
Management and general	338,154	-	338,154
Fundraising	110,977	-	110,977
Total expenses	<u>2,819,613</u>	<u>-</u>	<u>2,819,613</u>
<b>CHANGE IN NET ASSETS</b>	<b>(98,258)</b>	<b>(255,201)</b>	<b>(353,459)</b>
<b>NET ASSETS (DEFICIT)- Beginning of year</b>	<u>(177,008)</u>	<u>2,030,303</u>	<u>1,853,295</u>
<b>NET ASSETS (DEFICIT) - End of year</b>	<u><b>\$ (275,266)</b></u>	<u><b>\$ 1,775,102</b></u>	<u><b>\$ 1,499,836</b></u>
			(Concluded)

See accompanying independent auditors' report and notes to financial statements.

**NATIONAL PERFORMANCE NETWORK, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	2012			
	Program	Management and General	Fundraising	Total
Communications	\$ 9,684	\$ 3,275	\$ 1,282	\$ 14,241
Contractors and professional fees	356,005	60,781	17,366	434,152
Depreciation	6,038	3,123	1,249	10,410
Fees and services	9,315	6,210	817	16,342
Occupancy	41,650	11,569	4,628	57,847
Payroll taxes and benefits	73,186	52,473	12,428	138,087
Postage and delivery	2,156	300	273	2,729
Printing	4,297	1,074	-	5,371
Program grants	1,290,597	-	-	1,290,597
Project activities	128,795	8,221	-	137,016
Promotions and marketing	15,702	165	661	16,528
Salaries and wages	426,902	138,115	62,780	627,797
Travel	58,816	38,535	4,056	101,407
Miscellaneous	-	545	-	545
	<b>\$ 2,423,143</b>	<b>\$ 324,386</b>	<b>\$ 105,540</b>	<b>\$ 2,853,069</b>

(Continued)

See accompanying independent auditors' report and notes to financial statements.

**NATIONAL PERFORMANCE NETWORK, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	2011			
	Program	Management and General	Fundraising	Total
Communications	\$ 13,694	\$ 4,650	\$ 1,794	\$ 20,138
Contractors and professional fees	385,175	64,015	18,802	467,992
Depreciation	3,186	1,619	625	5,430
Fees and services	7,987	5,307	743	14,037
Occupancy	52,462	14,511	5,648	72,621
Payroll taxes and benefits	68,289	48,799	11,592	128,680
Postage and delivery	4,873	703	624	6,200
Printing	7,395	1,797	-	9,192
Program grants	1,115,532	-	-	1,115,532
Project activities	189,039	11,531	-	200,570
Promotions and marketing	23,357	300	876	24,533
Salaries and wages	438,933	145,158	66,483	650,574
Travel	60,560	39,764	3,790	104,114
	<b>\$ 2,370,482</b>	<b>\$ 338,154</b>	<b>\$ 110,977</b>	<b>\$ 2,819,613</b>
				(Concluded)

See accompanying independent auditors' report and notes to financial statements.



**NATIONAL PERFORMANCE NETWORK, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,659,188	\$ (353,459)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	10,410	5,430
Changes in operating assets and liabilities:		
Accounts receivable and prepaid expenses	(8,462)	(8,260)
Grants receivable	(260,223)	787,897
Accounts payable	(47,712)	22,496
Grants payable	207,424	(118,005)
Accrued expenses	3,145	11,297
	<u>1,563,770</u>	<u>347,396</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(2,065)</u>	<u>-</u>
Net cash used in investing activities	(2,065)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on lease payable	<u>(2,851)</u>	<u>(2,852)</u>
Net cash used in financing activities	<u>(2,851)</u>	<u>(2,852)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>1,558,854</b>	<b>344,544</b>
CASH AND CASH EQUIVALENTS - Beginning of year	<u>548,945</u>	<u>204,401</u>
CASH AND CASH EQUIVALENTS - End of year	<u><b>\$ 2,107,799</b></u>	<u><b>\$ 548,945</b></u>

See accompanying independent auditors' report and notes to financial statements.

**NATIONAL PERFORMANCE NETWORK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Activities*** – National Performance Network, Inc. (the Organization) is a group of diverse cultural organizers, including artists, working to create meaningful partnerships and provide leadership that enables the practice and public experience of the performing arts in the United States. The Organization services artists, arts organizers, and a broad and diverse range of audiences and communities across the country through commissions, residencies, community cultural projects, and other artistic activities. In certain programs, the Organization subsidizes artists' and presenters' projects.

***Financial Statement Presentation*** – These financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Therefore, revenues are recorded when earned and expenses are recorded when incurred. Contributions are recognized when received or unconditionally promised. In-kind donations are recognized at fair value when received.

***Basis of Presentation*** – The financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America. The Organization classifies resources for accounting and reporting purposes into three net asset categories which are unrestricted, temporarily restricted, and permanently restricted based upon the following criteria:

- Unrestricted net assets represent expendable funds available for operations which are not otherwise limited by donor restrictions.
- Temporarily restricted net assets consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations. Included in permanently restricted net assets are endowment trust assets from which the corpus may never be withdrawn. There were no permanently restricted net assets at June 30, 2012 and 2011.

***Use of Estimates*** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Income Taxes*** – The Organization is a not-for-profit Organization that is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. It is exempt from Louisiana income tax under the Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. Management has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments to or disclosures in the financial statements.

**NATIONAL PERFORMANCE NETWORK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

***Donated Assets and Services*** – The Organization records noncash donations as contributions at its estimated fair value at the date of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Contributed services are recorded when the services, if significant in amount, create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

***Cash and Cash Equivalents*** – For purposes of the statements of cash flows, the Organization considers all highly liquid investments that mature within three months or less to be cash equivalents. Cash and cash equivalents include demand deposits and interest bearing demand deposits.

***Fair Value Measurement*** – The Organization uses a three-tier value hierarchy which prioritizes the inputs used in measuring fair values as follows:

- Level 1 – Inputs to the valuation methodology that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date;
- Level 2 – Inputs to the valuation methodology other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in the markets that are not considered to be active; and.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization carries investments in certificates of deposits and money market funds with readily determinable fair values based on quoted prices in active markets, all Level 1 measurements, in the statements of financial position. Unrealized gains and losses are included in the changes in net assets in the accompanying statements of activities and changes in net assets. The fair values of investments measured as of June 30, 2012 and 2011 were \$1,526,262 and \$404,588, respectively.

***Grants Receivable*** – Grants receivable represent amounts due from foundations and other organizations. Amounts are stated at net realizable value and management estimates that all amounts are collectible.

***Property and Equipment*** – Property and equipment are recorded at cost, with the exception of donated items, which are recorded at fair market value at the date of the donation. It is the Organization's policy to capitalize expenditures for items in excess of \$500. Acquisitions and donations of property and equipment are made as unrestricted assets, unless the donor imposes a restriction. Depreciation is provided over the estimated useful lives of the respective assets, approximately five to seven years, on a straight-line basis.

***Functional Expense Allocation*** – Generally, expenses are charged to each program or function based on direct expenditures incurred. Expenditures not directly chargeable are allocated to programs or functions based on management's estimated percentage of time spent by the Organization's employees on each program.

**NATIONAL PERFORMANCE NETWORK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

***Unrestricted Revenue and Support*** – The Organization receives its support and revenue primarily from private foundations and federal programs. Grants and contributions received, as well as collectible unconditional promises to give, are recognized in the period received or unconditionally pledged. Grants and contributions with donor-imposed restrictions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. Pledged contributions are recorded as receivables when a firm pledge is made and collectability is reasonably determinable. If a pledge is to be received over a period of more than a year, the respective non-current amount is recorded at the net present value of future contributions as a non-current receivable.

**NOTE B – CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash and cash equivalent balances in a financial institution located in New Orleans, Louisiana, that may, at times, exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization's cash balance exceeded the FDIC insurance by \$189,540 and \$252,907 at June 30, 2012 and 2011, respectively. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk to cash.

**NOTE C – GRANTS RECEIVABLE**

Grants receivable consisted of the following at June 30:

	2012	2011
Doris Duke Charitable Foundation	\$ 882,000	\$ 748,920
Ford Foundation	210,200	246,000
Joan Mitchell Foundation, Inc.	60,000	-
Andy Warhol Foundation	75,000	-
National Endowment for the Arts	25,000	-
Other grants	8,965	6,022
	<u>\$ 1,261,165</u>	<u>\$ 1,000,942</u>
Net grants receivable	<u>\$ 1,261,165</u>	<u>\$ 1,000,942</u>

**NOTE D – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30:

	2012	2011
Furniture and equipment	\$ 66,515	\$ 64,450
Less: accumulated depreciation	49,953	39,543
	<u>\$ 16,562</u>	<u>\$ 24,907</u>
Property and equipment, net	<u>\$ 16,562</u>	<u>\$ 24,907</u>

Depreciation expense was \$10,410 and \$5,430 for the years ended June 30, 2012 and 2011, respectively.

**NATIONAL PERFORMANCE NETWORK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE E – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were made available based on restrictions per the following grantors at June 30:

	2012	2011
Doris Duke Charitable Foundation	\$ 1,801,500	\$ 560,050
Ford Foundation	333,333	246,000
The Andrew Mellon Foundation	432,000	665,000
The Kresge Foundation	229,000	-
Andy Warhol Foundation	150,000	-
Joan Mitchell Foundation, Inc.	118,179	-
Surdna Foundation	75,000	-
William Penn Foundation	90,000	-
Tides Foundation	50,000	-
Other corporate and foundation grants	94,385	304,052
	<u>\$ 3,373,397</u>	<u>\$ 1,775,102</u>

**NOTE F – CAPITAL LEASE PAYABLE**

The Organization entered into a capital lease for office equipment on July 2010. The economic substance of this lease is that the Organization is financing the acquisition of the asset through a lease, and accordingly, it is recorded in the Organization's assets and liabilities. The following is a schedule of future minimum payments for the equipment required under the lease for the years ending June 30:

2013	2,851
2014	2,851
	<u>\$ 5,702</u>

**NOTE G – OPERATING LEASES**

The Organization leases office space under an operating lease on a month to month basis. Rental expense was \$18,300 and \$16,765 for the years ended June 30, 2012 and 2011, respectively.

**NOTE H – RELATED PARTY TRANSACTIONS**

Members of the Board of Directors were paid a per diem for attendance at board meetings and were also reimbursed for out-of-pocket expenses resulting from their participation in the Organization's activities in the amount of \$34,600 and \$31,232 for the years ended June 30, 2012 and 2011, respectively.

**NATIONAL PERFORMANCE NETWORK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE I – PROGRAM EXPENSES**

During the years ended June 30, 2012 and 2011, the Organization provided subsidies totaling \$1,290,597 and \$1,115,532, respectively, to artists and artistic organizations under various programs it administers. Under certain programs, the subsidy provided by the Organization is expected to be matched by one or more participating partners, as detailed below, for the Organization's three major programs for the years ended June 30:

	Subsidy Provided by National Performance Network		Anticipated Matching Subsidy from Partner Organizations	
	2012	2011	2012	2011
Residency Fund	\$ 581,587	\$ 627,209	\$ 803,332	\$ 1,330,000
Community Fund	95,000	90,277	1,504,972	125,497
Creation Fund	442,000	269,000	107,204	889,450
	1,118,587	986,486	2,415,508	2,344,947
Unmatched subsidies	172,010	129,046	-	-
	<u>\$ 1,290,597</u>	<u>\$ 1,115,532</u>	<u>\$ 2,415,508</u>	<u>\$ 2,344,947</u>

Under the terms of the subsidy agreements, the Organization has no additional financial obligation or liability associated with the failure of the participating partners to pay the commissioned artist the partner matching subsidy.

**NOTE J – COMMITMENTS AND CONTINGENCIES**

Grant awards require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems the contingency remote since, by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

**NOTE K – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 5, 2012, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



December 05, 2012

To the Board of Directors  
National Performance Network  
New Orleans, Louisiana

We have audited the financial statements of National Performance Network for the year ended June 30, 2012, and have issued our report thereon dated December 05, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 18, 2012. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by National Performance Network are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 05, 2012.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of National Performance Network and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Silva Gurtner & Abney, LLC*